

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6889

BILL NUMBER: HB 1739

NOTE PREPARED: Jan 17, 2007

BILL AMENDED:

SUBJECT: Sale of Handguns.

FIRST AUTHOR: Rep. Pelath

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
X FEDERAL

IMPACT: State

Summary of Legislation: This bill removes references concerning the Federal National Instant Criminal Background Check System (NICS) from the law concerning the sale of handguns. It returns the law concerning the sale of handguns to the form it was in before changes concerning the NICS were made to that law during the 2006 Session of the General Assembly. It specifies that the form that a person purchasing a handgun must submit to a firearms dealer concerning consent to obtain the person's criminal history information may not include any information related to the handgun.

Effective Date: July 1, 2007.

Explanation of State Expenditures: *Attorney General:* Upon receipt of a complaint that records of handgun purchases are not being timely destroyed, the Attorney General must conduct a compliance inspection to substantiate compliance. The Attorney General must report the findings of inspections to the Governor and to the presiding officer of each house of the General Assembly. It is expected that this provision will increase administrative expenses by an insignificant amount.

Form 4473: The bill eliminates the provision that a person purchasing a handgun from a dealer must complete and sign Bureau of Alcohol, Tobacco, Firearms and Explosives Form 4473 and forward a copy to the Indiana State Police (ISP). This provision will have little impact on the ISP because when the ISP received the form in the past, little processing of the form occurred and the form was required to be destroyed after 30 days.

ISP Form: The purchaser of a handgun must consent in writing, on a form provided by the ISP superintendent, to have the dealer obtain criminal history information. The ISP should experience little

increase in costs associated with providing the form. If each form cost the ISP \$0.10 and if 80,000 licenses are sold, costs for the form would equal \$8,000. It is likely that the ISP would need to produce more than one copy, however, because each handgun dealer will not know how many individuals will apply.

The ISP will also need to process and store the form. It is expected that the ISP will be able to accomplish these tasks given its existing level of resources. Because the bill changes the ISP process back to what it was before the passage of 2006 legislation, the impact is not expected to be much different from what existing practices were in the first half of 2006.

Criminal History Check: The ISP must conduct a criminal history check and inform the dealer. The ISP must provide the dealer with criminal history information by means of a telephone call or other electronic means. The bill provides funding for the ISP check as indicated below. The funding will likely be able to cover any costs associated with ISP checks.

Class A Misdemeanor: A person who knowingly or intentionally requests, obtains, or seeks to obtain under false pretenses; wrongfully maintains; or disseminates or seeks to disseminate criminal history information except as authorized commits a Class A misdemeanor.

Explanation of State Revenues: All licensed firearms dealers must collect a \$3 fee for every criminal history check. If 80,000 applications are checked, this provision will generate \$240,000.

The fee must be transferred to the ISP before the last day of the month following the sale. The ISP must deposit the fees in a special fund for use in offsetting the cost of conducting criminal history checks.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Attorney General; ISP.

Local Agencies Affected:

Information Sources: ISP.

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